

DRPT



Virginia Department of Rail and Public Transportation

Annual Budget Final Fiscal Year 2003 - 2004

Improving mobility and expanding transportation choices.

www.drpt.state.va.us

Table of Contents

Letter to the Board

Summary of FY04 State Aid to Public Transportation **1**

Transfers and Revenues **5**

Recommended Allocations **6**

Estimated Transfers and Revenue Sources **7**
Final FY 2003 vs. Recommended FY 2004

Recommended Allocation of Estimated **8**
Transfers and Revenues
Final FY 2003 vs. Recommended FY 2004

Footnotes **9**



Revised

COMMONWEALTH of VIRGINIA

KAREN J. RAE
DIRECTOR

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
1313 EAST MAIN STREET, SUITE 300
P.O. BOX 590
RICHMOND, VA 23218-0590

(804) 786-4440
FAX (804) 786-7286
VIRGINIA RELAY CENTER
1-800-828-1120 (TDD)

June 19, 2003

Mr. Whittington W. Clement, Chairman
Mr. Philip A. Shucet
Mr. Ambrose Bailey
Ms. Julia A. Connally
Mr. John "Butch" Davies III
Ms. Helen E. Dragas
Mr. Jim D. Bowie
Mr. James. L. Keen

Mr. J. Kenny Klinge
Mr. Harry T. Lester
Mr. Gerald P. McCarthy
Mr. Leonard S. "Hobie" Mitchel
Dr. Phillip C. Stone
Mr. Onzlee Ware
Mr. Hunter R. Watson
Mr. Kenneth Spencer White

Dear Members of the Board:

This document contains the Department of Rail and Public Transportation's recommended Fiscal Year 2003-2004 annual budget for your approval. The Fiscal Year 2004 budget totals \$240.1 million and increase of slightly over 20% from Fiscal Year 2003. The Commonwealth's investment of \$240.1 million supports an overall program of public transportation and rail of \$684 million.

The major revenue streams supporting the budget from state sources include \$122.4 million from the Transportation Trust Fund, \$33.6 million in funds from the Virginia Transportation Act of 2000 as amended, and \$10.2 of Dulles Toll Road funds. The federal revenues of \$63 million consist of \$21.4 million in Surface Transportation Program funds, \$8.8 million in Minimum Guarantee funds, \$32.2 million in Federal Transit Administration funds and \$750,000 in Federal Rail Administration funds.

Recommended allocations are \$224.3 million for the mass transit assistance program, including \$97.8 million for Formula (Operating) Assistance, \$117.9 million for Capital Assistance, \$3.8 million for Special Programs and \$1.7 million for Federal and Regulatory Programs. The Rail Assistance program allocation is funded at \$11.6 million. The balance of the budget 2% is for administration and support to other agencies.

We will be glad to answer any questions you may have concerning the budget.

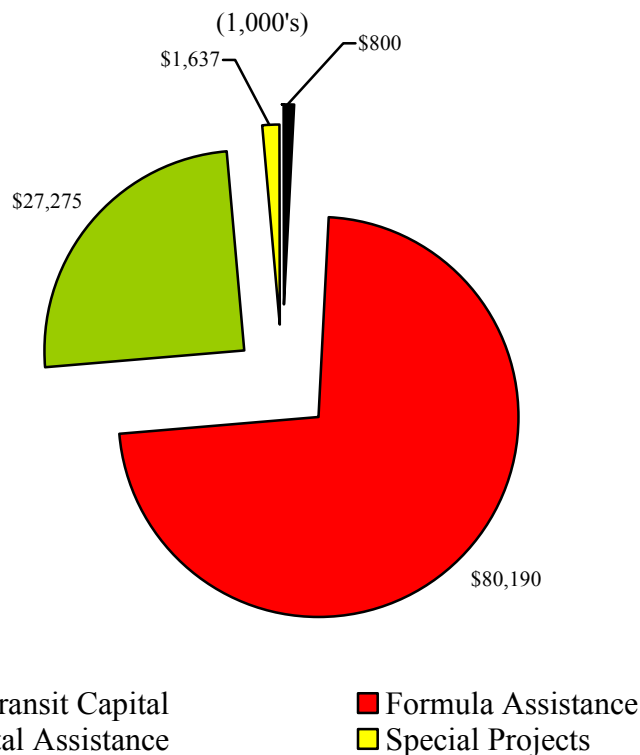
Sincerely,

Karen J. Rae, Director

Summary of FY04 State Aid to Public Transportation

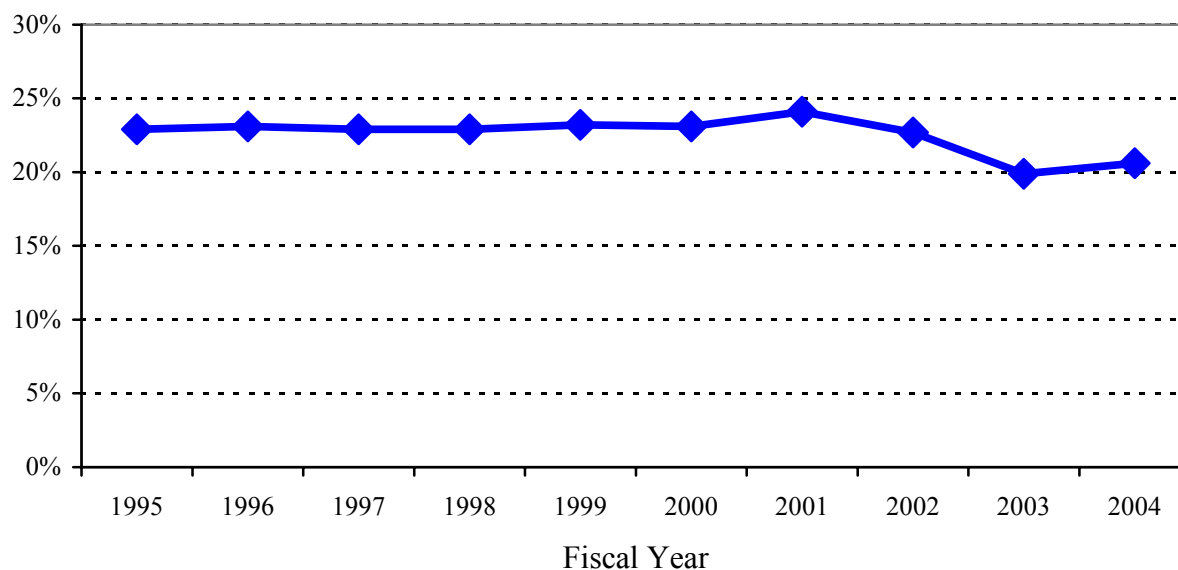
The fiscal year 2004 allocation of Mass Transit Trust Funds totals \$110 million. This is an increase of over \$9 million from fiscal year 2003. This allocation is made up of 14.7% of the 1986 Special Session Revenue (Transportation Trust Fund) and is adjusted by estimates of interest that will be earned; carry over from the previous fiscal year; and indirect charges. The annual allocation of these funds is distributed in accordance with Appropriations Act language and the provisions of the Section of Virginia Code that establishes the Mass Transit Trust Fund (§58.1-638.A.4). The distribution is as follows: \$800,000 is taken off of the top for paratransit capital projects; then 73.5% is allocated as state operating assistance grants (called formula assistance grants); 25% is awarded as capital assistance grants; and the balance of 1.5% is awarded as special projects grants.

FY04 Mass Transit Trust Fund



State formula assistance grants are awarded on the basis of the total annual amount of state funds available expressed as a percent of the total annual amount of transit operating expenses. Transit operating expenses across the state totaled \$389.5M for the last completed fiscal year (FY02). The amount of formula assistance available represents 20.6% of that total ($389.5/80.2$). Therefore in FY04 each transit system will receive state aid in the amount of 20.6% of their FY02 operating expenses. The state share of total operating expenses fluctuates from year to year but has remained in the range of 20% to 24% in the last ten years as shown in the table below.

State Share of Total Operating Expenses



State formula assistance grants increased for most transit properties in FY04. The table below shows district summaries for state formula assistance.

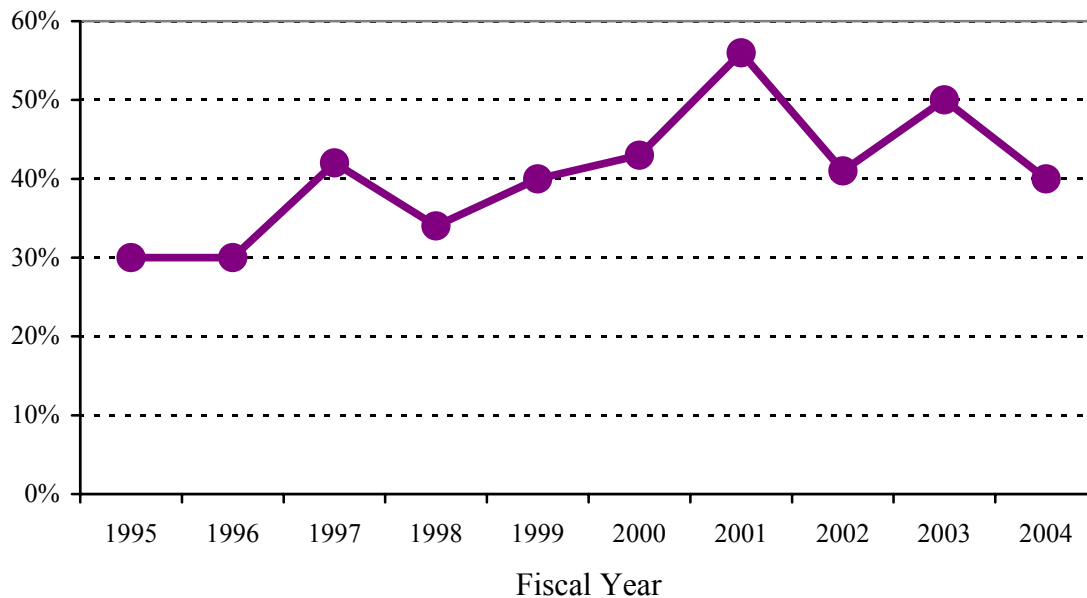
State Aid for Public Transportation Operating Expenses

	Number of Transit Systems Receiving Aid in FY03	Number of Transit Systems Receiving Aid in FY04	State Formula Assistance for FY03	State Formula Assistance for FY04	Increase or (Decrease) from FY03 to FY04
Bristol District	6	6	498,554	616,605	118,051
Culpeper District	3	3	1,171,158	1,262,810	91,652
Fredericksburg District	2	2	277,574	351,213	73,639
Hampton Roads District	3	3	10,345,297	10,410,823	65,526
Lynchburg District	4	3	797,147	856,762	59,615
Northern Virginia District	9	9	52,410,589	58,133,339	5,722,750
Richmond District	3	5	5,792,717	6,225,950	433,233
Salem District	3	3	1,437,171	1,443,065	5,894
Staunton District	3	3	422,673	482,070	59,397
Statewide Totals	36	37	73,152,880	79,782,637	6,629,757

State capital assistance grants are awarded to all projects deemed to be eligible, reasonable and appropriate at a uniform annual level of state participation. This level of participation or “state share” of capital project expenses is calculated by dividing the amount of state funds available for capital projects each year by the amount needed to support the non-federal share of all transit capital projects for the

year. In FY04 the state share of capital expenses is 40%. The maximum allowable state share of capital expenses is 95% but there have not been sufficient funds to support transit capital projects at this level since the Mass Transit Trust Fund was created in 1986. The state share for capital projects has ranged from a high of 56% to a low of 30% over the last ten years as depicted in the table below.

State Share of Non-Federal Capital Expenses



In FY04, \$27.3M will be available to support public transportation capital projects across the Commonwealth. The projects that these funds will support are summarized in the table below.

Public Transportation Capital Projects

	Replacement Transit Vehicles	Expansion Transit Vehicles	Paratransit E&H Vehicles	Service Support Vehicles	Transit Facility Construction or Renovation	Transit Facility Planning or Design
Bristol District	10	1	3	0	0	1
Culpeper District	17	2	2	2	0	0
Fredericksburg District	2	0	2	0	1	0
Hampton Roads District	67	11	7	10	1	1
Lynchburg District	3	2	7	0	1	0
Northern Virginia District	43	7	6	3	7	4
Richmond District	46	1	9	0	2	1
Salem District	7	3	9	4	2	1
Staunton District	6	0	12	0	0	0
Statewide Totals	201	27	57	19	14	8

The Special Projects grants will receive an allocation of \$1.6M in FY04. These funds are used to award discretionary grants for public transportation demonstration projects, technical assistance projects, public transportation internships and transportation demand management (TDM) projects. In addition to these funds, \$1.9M is appropriated for FY04 to support TDM projects in a program called the Transportation Efficiency Improvement Fund (TEIF) program. The TEIF program also is a discretionary grant program that provides state funds to support 80% of the costs of TDM programs and special projects that are designed to reduce single occupant vehicle travel. These funds are used together with Special Projects funds to support vanpooling, ridesharing, marketing and promotional efforts across the Commonwealth that are designed to encourage travel in shared ride modes.

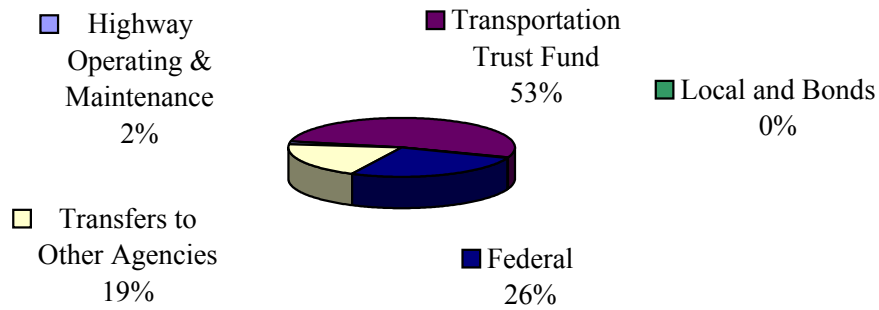
The distribution across the state of TEIF and Special Projects grants for FY04 is shown in the table below.

Transportation Demand Management and Special Projects

	Transportation Demand Management Agencies	Special TDM Projects	Demonstration Projects	Technical Assistance Projects	Public Transportation Internships	Total
Bristol District	0	0	0	1	0	1
Culpeper District	2	2	0	1	2	7
Fredericksburg District	3	0	0	0	0	3
Hampton Roads District	0	0	0	0	1	1
Lynchburg District	0	0	1	0	1	2
Northern Virginia District	5	2	3	1	1	12
Richmond District	1	0	0	0	1	2
Salem District	1	1	1	0	1	4
Staunton District	1	0	0	0	1	2
Statewide Totals	13	5	5	3	8	34

Additional detailed information on formula assistance, capital assistance, special projects, and TEIF grants for FY04 is found in the Commonwealth Transportation Board FY04 Six Year Improvement Program.

DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
TRANSFERS AND REVENUES
FISCAL YEAR 2003 - 2004



FROM HIGHWAY MAINTENANCE AND OPERATING FUND **\$4,359,322**

TRANSPORTATION TRUST FUND

1986 Special Session Revenue (14.7%)	112,119,800
Interest Revenue	565,000
Unobligated Balance	355,200
Transportation Efficiency Improvement Program (TEIF)	1,900,000
Rail Preservation Program	3,000,000
Congestion Relief Program & Busfare Buydown	5,662,740
Surface Transportation Program Regional - (State Match)	1,781,800

TOTAL TRANSPORTATION TRUST FUND **125,384,540**

FROM FEDERAL REVENUE

6% Surface Transportation Program	10,938,800
10% Minimum Guarantee	8,880,000
Congestion Mitigation and Air Quality (CMAQ)	0
Federal Transit Administration	32,224,471
Federal Rail Administration	750,000
Surface Transportation Program -- Regional	7,127,200
CTB Statewide STP	3,294,000
STP Funds Carryover	105,103

TOTAL FEDERAL REVENUE **63,319,574**

LOCAL REVENUES AND BOND PROCEEDS

Northern Virginia Transportation District Bonds	0
Local Revenues	521,678

TOTAL LOCAL REVENUES AND BOND PROCEEDS **521,678**

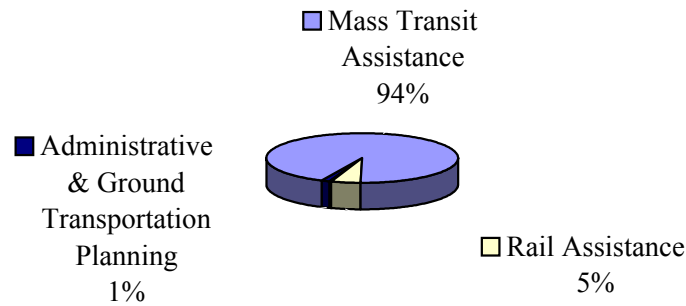
TRANSFERS FROM OTHER AGENCIES

Department of Social Services Transfers	2,618,900
Department of Motor Vehicle Transfers	75,000
Department of Transportation - Dulles Toll Road Transfers	10,284,675
Department of Transportation - VTA 2000 Transfers	33,628,000

TOTAL TRANSFERS FROM OTHER AGENCIES **46,606,575**

TOTAL ESTIMATED REVENUE **\$240,191,689**

**DEPARTMENT OF RAIL AND PUBLIC TRANSPORTATION
RECOMMENDED ALLOCATIONS
FISCAL YEAR 2003 - 2004**



ADMINISTRATIVE AND SUPPORT SERVICES **\$1,187,889**

GROUND TRANSPORTATION SYSTEM PLANNING & RESEARCH **\$2,054,601**

MASS TRANSIT ASSISTANCE

Special Programs	3,826,997
Formula (Operating) Assistance	97,857,584
Capital Assistance	117,945,769
Federal and Regulatory Programs	1,777,402
Budgetary Reserve - TTF Mass Transit Trust Fund Share	2,940,000

TOTAL MASS TRANSIT ASSISTANCE **224,347,752**

RAIL ASSISTANCE

Rail Capital Assistance	10,850,000
Federal and Regulatory Programs	825,000

TOTAL RAIL ASSISTANCE **11,675,000**

SUPPORT TO OTHER STATE AGENCIES

Department of Treasury	33,400
General Fund Transfers	893,047

TOTAL SUPPORT TO OTHER STATE AGENCIES **926,447**

TOTAL ALLOCATIONS **\$240,191,689**

ESTIMATED TRANSFERS AND REVENUE SOURCES**FISCAL YEAR 2003 - 2004****FINAL FY 2003 vs. RECOMMENDED FY 2004**

	FINAL 2002-2003	RECOMMENDED 2003-2004	INCREASE (DECREASE)	
HIGHWAY MAINTENANCE AND OPERATING FUND	\$3,859,060	\$4,359,322	\$500,262	(1)
TRANSPORTATION TRUST FUND				
1986 Special Session Revenue (14.7%)	99,371,300	112,119,800	12,748,500	(2)
Interest Revenue	1,475,000	565,000	(910,000)	(3)
Unobligated Balance	33,000	355,200	322,200	(3)
Transportation Efficiency Improvement Program (TEIF)	1,900,000	1,900,000	0	(4)
Rail Preservation Program	3,000,000	3,000,000	0	(4)
Congestion Relief Program & Busfare Buydown	808,000	5,662,740	4,854,740	(4)
Surface Transportation Program Regional - (State Match)	0	1,781,800	1,781,800	(4,6)
TOTAL TRANSPORTATION TRUST FUND	106,587,300	125,384,540	18,797,240	
FEDERAL REVENUE				
6% Surface Transportation Program	8,469,400	10,938,800	2,469,400	(5)
10% Minimum Guarantee	8,442,700	8,880,000	437,300	(5)
Congestion Mitigation and Air Quality (CMAQ)	0	0	0	(6)
Federal Transit Administration	11,431,662	32,224,471	20,792,809	(7)
Federal Rail Administration	500,000	750,000	250,000	(7)
Surface Transportation Program -- Regional	0	7,127,200	7,127,200	(6)
CTB Statewide STP	0	3,294,000	3,294,000	(6)
STP Funds Carryover	0	105,103	105,103	(6)
	28,843,762	63,319,574	34,475,812	
LOCAL REVENUES AND BOND PROCEEDS				
General Funds	0	0	0	(8)
Northern Virginia Transportation District Bonds	5,000,000	0	(5,000,000)	(8)
Local Revenues	452,819	521,678	68,859	(9)
TOTAL LOCAL REVENUES AND BOND PROCEEDS	5,452,819	521,678	(4,931,141)	
TRANSFERS FROM OTHER AGENCIES				
Department of Social Services Transfers	2,201,634	2,618,900	417,266	(9)
Department of Motor Vehicle Transfers	127,500	75,000	(52,500)	(7)
Department of Transportation - Dulles Toll Road Transfers	13,066,838	10,284,675	(2,782,163)	(8)
Department of Transportation - VTA 2000 Transfers	34,000,000	33,628,000	(372,000)	(10)
TOTAL TRANSFERS FROM OTHER AGENCIES	49,395,972	46,606,575	(2,789,397)	
TOTAL ESTIMATED REVENUE	\$194,138,913	\$240,191,689	\$46,052,776	

RECOMMENDED ALLOCATION OF ESTIMATED TRANSFERS AND REVENUES**FISCAL YEAR 2003 - 2004****FINAL FY 2003 vs. RECOMMENDED FY 2004**

	FINAL 2002-2003	RECOMMENDED 2003-2004	INCREASE (DECREASE)	
ADMINISTRATIVE AND SUPPORT SERVICES	\$1,359,985	\$1,187,889	(\$172,096)	(1)
GROUND TRANSPORTATION SYS. PLANNING & RESEARCH	\$2,134,515	\$2,054,601	(\$79,914)	(1)
 MASS TRANSIT ASSISTANCE				
Special Programs	3,695,944	3,826,997	131,053	(2)
Formula (Operating) Assistance	89,259,646	97,857,584	8,597,938	(2)
Capital Assistance	84,162,786	117,945,769	33,782,983	(2,10)
Federal and Regulatory Programs	1,608,637	1,777,402	168,765	(2)
Budgetary Reserve - TTF Mass Transit Trust Fund Share	0	2,940,000	2,940,000	(2)
 TOTAL MASS TRANSIT ASSISTANCE	178,727,013	224,347,752	45,620,739	
 RAIL ASSISTANCE				
Rail Capital Assistance	11,000,000	10,850,000	(150,000)	(4,10)
Federal and Regulatory Programs	627,500	825,000	197,500	(7)
 TOTAL RAIL ASSISTANCE	11,627,500	11,675,000	47,500	
 SUPPORT TO OTHER STATE AGENCIES				
Department of Treasury	36,500	33,400	(3,100)	(11)
General Fund Transfers	253,400	893,047	639,647	(11)
 TOTAL SUPPORT TO OTHER STATE AGENCIES	289,900	926,447	636,547	
 TOTAL RECOMMENDED ALLOCATIONS	\$194,138,913	\$240,191,689	\$46,052,776	

FOOTNOTES

- (1) Included in the HMO revenue/allocation is \$1,187,889 for General Administration, \$2,054,601 for Transportation Planning, \$214,758 for Washington Metropolitan Area Transit Commission (WMATC), and \$173,627 for Section 5303 matching funds. The fund also includes funding for legislated transfers to the General Fund and Governor's Budget Saving Plan transfers.
- (2) Legislation passed during 1998 revised the formula for distribution of funds to the Mass Transit Fund. The allocation from the Transportation Trust Fund has been revised from 14.5% to 14.7%. The allocation for Mass Transit Assistance is 1.5% for Special Programs, 73.5% for Formula (Operating) Assistance, and 25% for Capital Assistance. Includes distribution of applicable Federal Revenues, Local Revenues, Bond Proceeds, Transfers from other agencies, and portion of HMO by appropriate Mass Transit Assistance Allocation. This year a Budgetary Reserve was established for uncommitted amount of estimated revenues held to offset possible revenue shortfalls in FY 03.
- (3) The unobligated balance are balances from Fiscal Year 2003 Mass Transit Assistance Program. Interest Revenue is calculated based on cash balance of Transportation Trust Fund.
- (4) The funding source for each of these programs is the Highway Construction Fund. Congestion Relief Program and Busfare Buydown are being funded with Primary Allocations for FY 04. Surface Transportation Program are allocated by the regional MPO's to the system and modes. The final distribution of STP-R funds are not available for the Recommended FY 2004 Annual Budget.
- (5) Chapter 1042 of 2003 General Assembly (Appropriation Act) provides that 10% of federal Minimum Guarantee Funds shall be allocated to transit projects, and 6% of the federal Surface Transportation Program funds shall be allocated for public transit purposes.
- (6) CMAQ and Surface Transportation Program Regional are allocated by the regional MPO's to the system and modes. CTB Statewide funds represents Statewide STP funds available to CTB and allocated to CMAQ projects for transit. The final distribution for CMAQ and all STP-R funds are not available for the Recommended FY 2004 Annual Budget.
- (7) Federal Transit Administration, Federal Rail Administration and National Highway Traffic Safety Administration (pass through from Division of Motor Vehicles) for grants administered by DRPT.
- (8) General Fund allocation expired in FY 2002, remaining obligations replaced with FRANS. Eighty-five percent (85%) of excess Dulles Toll Road revenues are allocated to transit. There were no Northern VA District Bond funds allocated to DRPT for transit purposes for FY 2004.
- (9) Local Revenues for match on Section 5310 and state paratransit program and Department of Social Services provide match using TANF funds for Federal Job Access Reverse Commute Program and Special JARC Allocation of \$500,000 for Chesterfield.
- (10) Virginia Transportation Act of 2000, as amended allocations for FY 04 funds for high speed rail and metrorail expansion, Dulles, metrorail rolling stock replacement and VRE Express Service capital.
- (11) Chapter 1042 of 2003 General Assembly (Appropriation Act) requires a transfer for financial management of nongeneral funds. This estimate is based upon the basis points charged by the Department of the Treasury and nongeneral fund agencies transfer to General Fund for indirect costs and other legislated transfers.